

EBOOK

# 7 Ecommerce Warehouse Secrets That Deliver Big ROI Without Big Investments in Time and Budget

Find out what the “big boys” use and borrow from their playbook

[newcastlesys.com](http://newcastlesys.com)



**NEWCASTLE**  
SYSTEMS

SAVE STEPS.  
INCREASE PRODUCTIVITY.™

## SMALL STEPS, BIG IMPACTS

Efficiency and flexibility are pillars of any successful workflow. In operations, these mainstays factor into everything from worker productivity and throughput, cycle times, and precision in dock-to-stock, order picking, and fulfillment—all which impact the bottom line.

Particularly when demands surge from a disruption (e.g., a pandemic) or during seasonal peaks, inefficiencies are exaggerated and can limit the ability to scale operations.

**When looking for ways to improve operational efficiency and cut costs in this dynamic environment, the world often turns to technology-based solutions. Amid the noise of “the latest” automation tools, robotics, and complex software platforms, though, is a stark reality – with long times-to-impact and hefty price tags, not all companies can afford to invest in these solutions.**

But you don't have to be an industry giant to be able to streamline your operations like one.

Identifying “waste” in a facility of any size is the first step to eliminating it. While people and buildings are fixed operational costs, infrastructure and processes are fluid. Finding efficiencies in these areas can make a significant impact on costs and profit margin—in many cases without requiring big investments in time, budget, or fancy software. Simply reducing the physical number of steps an employee takes to fill an order, for instance, can add up to significant cost- and time-savings.

## TIRED FEET

Time spent walking back and forth to printers, computers, and other equipment is a costly form of waste – and seconds add up to hundreds of hours of wasted labor costs over the course of a year.

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**ELIMINATING JUST 8 MINUTES OF WASTED FOOTSTEPS PER HOUR FOR EACH WORKER CAN SAVE ALMOST 300 HOURS ANNUALLY.**

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## CHANGE IS AFOOT

Consumer buying patterns shifted suddenly during 2020, driven by the impacts of the pandemic. As brick and mortar stores were shuttered and people turned to online options, ecommerce sales climbed to **18-25%** of retail sales (up from 12-14%) – and retail sales tumbled to a record low of **-16%**.

Modern operations professionals are tasked with some hefty challenges in any given year, but this abrupt shift in purchasing habits meant that many were handling larger inventories and more receipts, picks, shipments, and returns than ever before.

Even the biggest revenue winners struggled with the pace. “Keeping up” with the surge left little time for frontline managers to address process efficiencies. Backend operations got the job done, but often at a higher cost.

The fact is, pandemic or not, opportunities for optimizing operations always exist, but day-to-day operations usually take priority.

While it’s possible to pass the costs of inefficiencies along to customers, a steeper price for the same product or service means it’s less competitive – and offers no value-add to the consumer.

### **A Better Approach: Reduce the Inefficiencies.**

As the pandemic slows, foot traffic to retail stores, malls, restaurants is expected to resume. The trends of buying through digital channels and industry growth, though, are here to stay.

Those who can improve their processes, empower employees, and use existing infrastructure to handle demands will be able to scale their operations successfully along with growth – and build resilience for future disruptions.



*In this eBook, we let you in on 7 often overlooked secrets for trimming waste from your operations processes – along with an at-a-glance “ROI Rating” for each that ranks the secret’s ability to “pack a punch” in terms of ROI. Ready to make a big impact in your operations efforts? Read on.*

## GET SOME OUTSIDE HELP

According to a report from Logistics Management, labor costs consume 50%-70% of a warehouse's operating budget. Equipment and physical space are additional line items. Combined, these operational components can represent a host of inefficiencies such as employee downtime, excessive overtime, wasted space, or underutilized machinery – particularly if demand is seasonal or otherwise inconsistent.

**Outsourcing some (or all) aspects of your fulfillment operations to a third-party logistics (3PL) firm gives you the capabilities you need without the direct investment in equipment, space, employees, and processes. Other benefits include the ability to scale up (surges) or down (off-season) based on demand.**

There are some tradeoffs, though, including adding a “middleman” between you and the customer. If a product requires special handling, the vendor may not be able to adapt to meet your needs. While outsourcing eliminates most of the operations management, you still will need to implement and manage processes to ensure excellence in order logistics, reporting, returns handling, and more.

## QUICK TIP

### Traits to look for in a 3PL partner:

- ✓ **Trustworthy** with similar culture and values
- ✓ **History** of proven success
- ✓ **Range** of capabilities and offerings
- ✓ **Adaptable** and scalable to your business needs
- ✓ **Network** of locations for optimal efficiency

Source: <https://www.inboundlogistics.com/cms/article/choosing-a-3pl-provider/>

### ROI RATING



Five “stars” denote best ROI.

#### FACTORS:

- **Costs for outsourcing** to a third-party logistics firm vary based on the volume of shipping.
- Initial investment typically includes **onboarding and training**, which can take some time and delay ROI.
- Not planning to outsource? The next few secrets will help you **trim inefficiencies from your internal processes – with measurable results.**

### COST



### TIME-TO-IMPACT

**3-6 Months**

## “LEAN IN” TO EFFICIENCIES

“Lean” is a systematic method for the elimination of waste within a process. Examples of waste in processes on the docks, in the picking lanes, and on the factory floor include motion, waiting, overproduction, defects, and transportation.

Waste adds no value to the product or service, and customers don’t want to pay for it. Becoming less wasteful than competitors means becoming more profitable.

Even small refinements in processes can be easy to implement –with quick results and no significant investment in cost, tools, or time. For instance, it should go without saying that a clean and organized warehouse is an efficient one. But it’s also easy to underestimate how much time is lost walking back and forth to fixed workstations or even to high-volume SKUs.

Costly, wasted steps can be reduced by using mobile powered carts, and by making high-volume SKUs more accessible (e.g., moving them closer to the packing area). For single-item orders, especially backordered items, cross-docking can be an efficient option: skip the put-away process for that item during receiving and instead, relabel it for shipment as it comes off the truck –and route it right back out the door of your shipping dock.

## QUICK TIP

Engaged employees are **30%** more productive.



**Consider investing in lean training** for your employees so they can identify costly waste and work with you to reduce it.

Source: Association of Manufacturing Excellence (AME)

### ROI RATING



Five “stars” denote best ROI.

#### FACTORS:

- **Easy and quick to identify** and fix the “low-hanging fruit” inefficiencies. **No advanced technology needed.**
- If you hire a lean process consultant, **the ROI Rating drops to reflect added cost.**
- **Bad habits may creep back in** after you implement changes – **sustainability is key.**

### COST



### TIME-TO-IMPACT

Day 1

## “ALEXA, ADD PRODUCTIVITY TO MY TO-DO LIST”

Accuracy impacts every aspect of operations and can have a domino effect on efficiencies and costs all along the operations workflow.

If, for example, an item is mislabeled in receiving, the pallet might be stored in the wrong section during put-away and added into Inventory incorrectly. When a customer orders the item, the employee picks and packs the mislabeled item, and ships it to the customer. The customer receives an incorrect item, and returns it.

In many cases, inaccuracies are rooted in human error, so it follows that any time you can eliminate manual tasks such as rekeying or data entry, you reduce the chance for human error.

Voice recognition software and on-screen auto-fill capabilities are examples of technologies that can reduce warehouse operating costs and improve productivity – primarily by increasing accuracy. Depending on the processes they replace, using these technologies can increase productivity as much as 45%.



### ROI RATING



Five “stars” denote best ROI.

#### FACTORS:

- Implementation requires **involving IT to select and integrate these technologies with existing systems.**
- Smaller organizations that don’t have IT staff **may need to outsource.**
- Accuracy and increased productivity improvements should **offset cost/time of implementation**, but aren’t immediate.

### COST



### TIME-TO-IMPACT

18 Months

## THROW AWAY THE PENCIL

If you're using a paper and pencil system in your operations, you're not alone – **48%** of facilities are still conventional in receiving, picking, replenishment, and storage (non-mechanized). While a manual process is flexible, it also is labor intensive and prone to errors.

**Implementing radio-frequency (RF) scanning and barcoding are basic first-steps toward automation – and particularly helpful in maximizing efficiencies in receiving and inventory processes.**

A wireless technology, RF works anywhere within the facility and limits the number of steps employees are taking. Barcode scanning reduces inaccuracies in reporting (a more advanced radio-frequency identification (RFID) system tracks objects using tags that transmit an inventory number wirelessly back to the RF device). And when it comes to cycle counts – the bane of many facilities where work has to stop or overtime is required to get them done – RF scanning can eliminate the errors, hassle, and almost the entire cost of the process.

## QUICK TIP



**Enlist an experienced, trusted value-added reseller (VAR) that's focused on integrating automatic identification and data collection (AIDC) solutions to help streamline your operations.**



**ROI RATING**



Five "stars" denote best ROI.

### FACTORS:

- **RF equipment** (scanners and printers) can be purchased quickly.
- **Integration with existing systems can take time**, especially for companies with limited IT resources.
- **Cost/time to implement are offset by bottom-line benefits:** limited time/paper waste, improved accuracy and productivity.



**COST**

Low **Medium** High



**TIME-TO-IMPACT**

**1-3 Months**

## USE TECHNOLOGY TO SMARTE-N-UP YOUR OPERATIONS

The Internet of Things (IoT) describes a system of physical devices, objects, and machines (“things”) that are connected to the Internet. Each is embedded with technologies such as sensors or software that allow them to exchange data with other devices and systems without any human interaction.

True RFID technology—with its sensors and radio transponders, receivers, and transmitters—is an application of IoT technology.

*In the warehouse setting, IoT is becoming especially important in receiving, inventory tracking, and picking by providing real-time data for faster optimization and better process control. For instance, an IoT device can be used to pinpoint the location of inventory in a facility. In a temperature-controlled environment, an IoT device sensor can provide continuous temperature monitoring and real-time alerts when the temperature varies, reducing the potential for spoilage.*



### ROI RATING



Five “stars” denote best ROI.

#### FACTORS:

- Integrating IoT technology with existing systems **has cost and time implications.**
- Its affordability and ability to improve productivity, accuracy, and efficiency make **IoT a potential powerhouse for long-term ROI.**

### COST



Low Medium **High**

### TIME-TO-IMPACT

**6+ Months**



# PUT A LABEL ON IT

Labels have been around for decades quietly getting inventory from point A to point B. Because of this, and despite their importance, labels are perhaps one of the most underappreciated aspects of the warehouse operations. And potentially one of the least efficient.


In an ideal world, the labeling process is seamless: scan, print, apply. But in many organizations, labeling is a manual process with a lot of steps – and a lot of room for error:


*The employee walks to the workstation and searches for the right label format; enters – and often reenters – the customer data into the computer; waits for someone to verify the data; makes an adjustment to the format, the data, or the printer itself; batch-prints the labels because the station is far away from where the work actually takes place; carries the batches of labels to the work area; and finally applies the labels to the boxes.*

Use a lean approach (see Smart Secret #2) to map and evaluate your labeling process. It likely will reveal many areas of waste and defects, as well as a clear path of easy changes that will lead to a seamless labeling process.

## QUICK TIP

✔ **Take time to audit your labeling process**, paying particular attention to wasted motion, for example:

 How many mouse clicks it takes to adjust formats

 The number of trips to/from the printer

✔ **Try to reduce the extra steps** and work towards achieving an ideal labeling process of Scan, Print, Apply.

### ROI RATING



Five “stars” denote best ROI.

#### FACTORS:

- Labeling often is overlooked as an area that needs improvement –until there’s a problem.
- Mapping the process will help you **identify and streamline inefficiencies quickly, with big impact.**
- **No need to invest in added technology.**

### COST



### TIME-TO-IMPACT

Day 1

## SMART SECRET #7

# GO MOBILE WITH POWERED INDUSTRIAL CARTS

It's easy to underestimate how much time is spent walking back and forth to fixed printers, computers, scales, and other equipment. But it's a costly practice.



**Converting a stationary workplace to a mobile one is the easiest, most economical way to increase the productivity of your current workers and infrastructure. Powered industrial carts, such as the line of products from Newcastle Systems, can hold and power printers, computers, and more to remove the tethers of a stationary workstation—putting everything a worker needs to get the job done right at his fingertips.**

Instead of waiting until a colleague is done using the area's single stationary computer, an employee uses the computer on his own mobile industrial cart—powered by an integrated battery system—to access the WMS, look up an order, get the inventory number, and go directly to the pallet in the warehouse. Data is entered on a full-sized, easy-to-see screen, items can be weighed, and a portable printer enables the employee to print and affix the label at the point of use.

## THE VALUE OF MOBILE POWER



**5-10+ Hours Gained**  
per Worker (Weekly)



**90% Reduction**  
in Labeling Errors



**63% Increase**  
in Receiving Volume



**Ensure Safe**  
Work Distances



**50% Increase** in  
Overall Worker Productivity



ROI in  
**4-6 Months**

Source: Newcastle Systems Mobile Powered Industrial Carts: [www.newcastlesys.com](http://www.newcastlesys.com)



Five "stars" denote best ROI.

### FACTORS:

- **Easily and quickly integrated** into your current processes, mobile powered industrial carts impact productivity starting day one.
- Advantages include **fewer touches, improved labeling and inventory accuracy, access to real-time data anywhere, and a more even workflow.**
- **Reducing wasted motion** delivers the real ROI here (see sidebar).



**COST**

Low Medium High



**TIME-TO-IMPACT**

**Day 1**

# THE BOTTOM LINE

**Efficiency is the name of the game in modern warehousing.** It's about minimizing activity that adds cost and time to your bottom line – without adding any value for your customers.

**Eliminating waste begins with identifying it.** Once you start looking, you'll find plenty of opportunities to shore up your operations processes. Even something as simple as saving steps can trim both costs and work hours significantly. Newcastle Systems mobile powered carts, for instance, are doubling warehouse worker productivity for industry leaders such as Amazon, Wayfair, and Target. Its product line, though, offers equal-opportunity efficiency gains that are accessible to companies of all sizes.

**Start with the 7 secrets we've shared in this eBook. You'll be surprised at how quickly low-cost/big-impact improvements can increase productivity, throughput, accuracy, and speed in your facility – and turn costs into profit.**



**Turn every worker  
into a SUPER worker  
with Newcastle Systems Mobile  
Powered Industrial Carts.**

**Learn how.  
[www.newcastlesys.com](http://www.newcastlesys.com)**

## ABOUT NEWCASTLE SYSTEMS

**Save Steps. Increase Productivity.**

When your workers are walking, you're losing money. Endless trips to the printer, to enter data, or collect parts add up fast. Newcastle powered industrial carts provide complete mobile worksites that keep workers on high-value tasks, often doubling their output. Thousands of installations prove that Newcastle customers get more done and save money.

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